

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD
ALBERT H. GREENE
CARL C. DAVIS*
CHARLES T. KAPPLER
ROBERT S. HOPE
JOHN H. DOYLE
MILTON C. GRACE*

* NOT A MEMBER OF D.C. BAR

LAW OFFICES
ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON, D.C.

20006

RECORDATION NO. 11499

Filed 1425

FEB 15 1980 - 1 22 PM

INTERSTATE COMMERCE COMMISSION

OF COUNSEL
JESS LARSON

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
693-2266

February 15, 1980

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

No. 0-046A055
Date FEB 15 1980
Fee \$ 50.00
ICC Washington, D. C.

Dear Madam:

Enclosed for recordation under the provisions of 49 U.S.C. §11303 and the regulations thereunder are the original and two certified true copies of a Master Lease dated February 12, 1980.

A general description of the railroad equipment covered by the enclosed document is as follows:

Twenty-five (25) Portec 100-ton, 4750 cubic foot capacity covered hopper railroad cars bearing reporting mark and numbers RSVX 00201 through RSVX 00225, both inclusive.

The names and addresses of the parties to the enclosed document are:

Lessor: ITT Industrial Credit Company
Hamm Building
St. Paul, Minnesota 55102

Lessee: Huntting Elevator Company
111 North Main Street
Austin, Minnesota 55912

The undersigned is Agent for the Lessor for the purpose of submitting the enclosed document for recordation and has knowledge of the matters set forth therein.

C. T. Kappler

C. D. [Signature]

11499
FEB 15 1980
11499

Secretary
Interstate Commerce Commission
February 15, 1980
Page Two

Please return the original and one certified true copy of the enclosed Master Lease to Charles T. Kappler, Esq., Alvord and Alvord, 200 World Center Building, 918 16th Street, N.W., Washington, D.C. 20006.

Also enclosed is a remittance in the amount of \$50.00 covering the required recording fee.

Very truly yours,

ALVORD AND ALVORD, as Agent for
ITT Industrial Credit Company

By _____

Charles T. Kappler

Interstate Commerce Commission
Washington, D.C. 20423

2/15/80

OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.
Alvord & Alvord
200 World Center Building
918 16th Street, N.W.
Washington, D.C. 20006

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **2/15/80** at **1:30pm**, and assigned recordation number(s). **11499**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

MASTER LEASE SCHEDULE

MASTER LEASE NO. M	SCHEDULE NO.
-----------------------	--------------

ITT Industrial Credit Company, Lessor

of Tennessee
HOME OFFICE: HAMM BUILDING
ST. PAUL, MINNESOTA 55102
612/224-9601

REGIONAL OFFICE: 1150 First Avenue,
Suite 502
King of Prussia, Pa. 19406

LESSEE		SUPPLIER	
NAME Huntting Elevator Company		NAME Railserv Corporation	
ADDRESS Box 99, 111 No. Main Street		ADDRESS 1006 W. 9th Avenue	
CITY Austin	COUNTY Mower	CITY King of Prussia	STATE Pa. 19406
STATE Minnesota	55912	ATTENTION: 39	
QUANTITY, DESCRIPTION OF EQUIPMENT AND COST (Model No., Serial No., Catalog No., etc.)		LOCATION OF EQUIPMENT (If Different From Above)	
<p>See Schedule "A" attached hereto and forming a part hereof.</p> <p><i>Charles</i></p>		ADDRESS	
		CITY	
		COUNTY	
		STATE	
		ADVANCE RENTAL SECURITY DEPOSIT	
NEW <input checked="" type="checkbox"/> USED <input type="checkbox"/> AGE <input type="checkbox"/> YRS. <input type="checkbox"/> MOS. <input type="checkbox"/>		\$ -0- \$ -0-	
Lease Term 15 Years	Effective Date of Lease 2/12/80	Payments Will Be Made Monthly <input checked="" type="checkbox"/> Other (Specify) <input type="checkbox"/>	Rental Payment \$11,460.00 Per month
I. T. C. TO Lessor <input checked="" type="checkbox"/> Lessee <input type="checkbox"/>	Depreciable Life 12 Yrs. <input type="checkbox"/> Mo.	Salvage Value -0- %	Fees Payable Amt. Payee Relationship

Additional Provision:

HUNTING ELEVATOR COMPANY

1. Lessee hereby leases the above described Equipment under the provisions of the Master Lease between Lessor and Lessee as above numbered and agrees that this instrument is a Schedule to said Master Lease which is hereby incorporated therein by reference and acknowledges receipt of a copy of said Schedule. This Schedule is not binding upon Lessor until written acceptance by Lessor and receipt of executed Acceptance of Installation and Delivery Receipt form. Lessor is hereby authorized to issue Confirming Purchase Order(s) for the Equipment described above.

Undersigned agrees to the terms and conditions set forth above and on the reverse side hereof and acknowledges receipt of a copy of this Lease Schedule and any Exhibits thereto.

DATE EXECUTED BY LESSEE 2-8-80 LESSEE Huntting Elevator Company
WITNESS Joseph W. Stauder By [Signature] Title Key-Treas
By [Signature] Title

ACCEPTED AT REGIONAL OFFICE ON 2/12 19 80
By John F. Kelly VP Lessor

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ADDENDUM TO LEASE AGREEMENT

For United States Corporation income tax purposes (and to the extent allowable for state and local tax purposes), Lessor or the affiliate group of which Lessor is a part intends to deduct depreciation with respect to the Equipment leased hereunder, using any depreciation method which Lessor is permitted to use under Federal income tax laws and applicable regulations and which Lessor in its complete discretion may select. If Lessor, under any circumstances or for any reason whatsoever shall lose or shall not have the right to claim, or there shall be disallowed, eliminated, reduced, disqualified, or recaptured, all or any portion of the depreciation deduction with respect to the Equipment, based on depreciation of Lessor's Cost of the Equipment over a period of not more than 12 years, the number of years over which Lessor intends to depreciate the Equipment, and to a salvage value of 0 percent (%), the percentage of Lessor's Cost, as the salvage value to which Lessor intends to depreciate the Equipment, then Lessee will pay Lessor, as supplemental rent hereunder, with respect to each taxable year of Lessor (i) a sum which, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such sum under the laws of any Federal, state or local government or taxing authority in the United States, shall be equal to the amount of any additional Federal income taxes required to be paid with respect to such year by reason of such loss, disallowance, elimination, reduction, disqualification, or recapture of depreciation deduction (net of any savings in Federal income taxes required to be paid with respect to such year by reason of Lessor not being required to include in its Federal gross income for the relevant period the rent paid under this lease or being required to so include only a portion thereof as interest) plus (ii) the amount of interest and penalties which may be payable to the United States Government or any other taxing authority by Lessor in connection with such loss, disallowance, elimination, reduction, disqualification, or recapture. Such payments shall be made to Lessor by Lessee on demand at any time after such additional income taxes are payable.

For United States corporation tax purposes (and to the extent allowable for state and local tax purposes), Lessor or the affiliate group of which Lessor is a part intends to take Investment Tax Credit for new Equipment in amounts equal to ten percent (10%) of its Cost of the Equipment. If for any unit of Equipment, there shall be a disallowance, elimination, reduction, disqualification, or recapture, in whole or in part, of said Investment Tax Credit for such Equipment, under any circumstances or for any reason whatsoever, Lessee shall, upon request of Lessor, pay to Lessor as supplemental rent hereunder an amount equal to the amount of loss of income of Lessor as a result of the loss, disallowance, elimination, reduction, disqualification, or recapture, of all or any portion of the Investment Tax Credit, in the following amounts:

1. 20.0000% Equipment Cost, if the loss, disallowance, elimination, reduction, disqualification, or recapture occurs during the first three (3) years of this lease;
2. 14.3333% Equipment Cost, if the loss, disallowance, elimination, reduction, disqualification, or recapture occurs during the fourth and fifth years of this lease;
3. 6.6667% Equipment Cost, if the loss, disallowance, elimination, reduction, disqualification, or recapture occurs during the sixth and seventh years of the lease.

Lessee: Hunting Elevator Company
 By: [Signature]
 Title: [Signature]

I, Lessee hereby agree to the terms and conditions set forth above and on the reverse side hereof and to the extent of this Lease Schedule and any Exhibits thereto. I hereby agree to the terms and conditions set forth above and on the reverse side hereof and to the extent of this Lease Schedule and any Exhibits thereto. I hereby agree to the terms and conditions set forth above and on the reverse side hereof and to the extent of this Lease Schedule and any Exhibits thereto.

Undersigned agrees to the terms and conditions set forth above and on the reverse side hereof and to the extent of this Lease Schedule and any Exhibits thereto.

DATE EXECUTED BY LESSOR: 12-2-82 BY: [Signature] WITNESS: [Signature]

ACCEPTED AT REGIONAL OFFICE ON: 12-2-82 BY: [Signature]

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SCHEDULE 'A'

☐ Security Agreement

This schedule is attached to and made a part of the ☒ Lease Agreement dated
(Check appropriate box.)

2/12, 1980, between the undersigned.

QUANTITY	DESCRIPTION OF EQUIPMENT	YEAR & MODEL	SERIAL NO.
Twenty-Five (25)	Portec 100-ton, 4750 cubic foot capacity, covered hopper railroad cars. Built under specification H-100-780703-I dated 7/3/78.		RSVX00201 RSVX00202 RSVX00203 RSVX00204 RSVX00205 RSVX00206 RSVX00207 RSVX00208 RSVX00209 RSVX00210 RSVX00211 RSVX00212 RSVX00213 RSVX00214 RSVX00215 RSVX00216 RSVX00217 RSVX00218 RSVX00219 RSVX00220 RSVX00221 RSVX00222 RSVX00223 RSVX00224 RSVX00225

This schedule is hereby verified correct and undersigned acknowledges receipt of a copy.

Secured Party or Lessor
ITT INDUSTRIAL CREDIT CO.

(Signature if individual; typed name if other than individual) (L.S.)

By John F. Kelly, Jr. (L.S.)
(Signature and title if not individual)

Debtor or Lessee
HUNTING ELEVATOR COMPANY

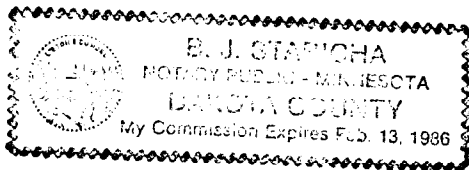
(Signature if individual; typed name if other than individual) (L.S.)

By D. S. Huntling, Secy. Treas. (L.S.)
(Signature and title if not individual)

STATE OF MINNESOTA,)

COUNTY OF *Dakota*) ss.: '

On this 12th day of February 1980, before me personally appeared John F. Kelly, to me personally known, who, being by me duly sworn, says that he is Vice President of ITT INDUSTRIAL CREDIT COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



(Notarial Seal)

B. J. Starucha

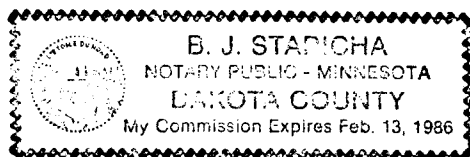
Notary Public

My Commission expires

STATE OF MINNESOTA,)

COUNTY OF *Dakota*) ss.:

On this 8th day of February 1980, before me personally appeared James G. Huntting, Jr., to me personally known, who, being by me duly sworn, says that he is Secretary/Treasurer of Huntting Elevator Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



B. J. Staricha

Notary Public

(Notarial Seal)

My Commission expires

11499
RECORDATION NO. Filed 1425
FEB 15 1980 - 1 30 PM
INTERSTATE COMMERCE COMMISSION

DISTRICT OF COLUMBIA } SS

C E R T I F I C A T E

The undersigned, SHARON A. Watson, a Notary Public in and for the District of Columbia, states that she compared the attached copy of the Master Lease dated February 12, 1980 between ITT Industrial Credit Company, Lessor, and Huntting Elevator Company with the original document, and certifies that it is a true and correct copy in all respects.

IN WITNESS WHEREOF, the undersigned has hereunto affixed her signature and notarial seal this 15th day of February, 1980.

Sharon A. Watson
Notary Public, D.C.

My Commission Expires July 14, 1983

MASTER LEASE

FEB 15 1980 - 1 30 PM

LEASE NO.

M

ITT Industrial Credit Company, Lessor

of Tennessee
HOME OFFICE: Hamm Building
St. Paul, Minnesota 55102
612/224-9601

INTERSTATE COMMERCE COMMISSION

REGIONAL OFFICE: 1150 First Avenue,
Suite 502

King of Prussia, Pa. 19406

AND, Hunting Elevator Company

hereinafter called LESSEE

hereby agree this 12th day of Feb 1980 as follows:**TERMS AND CONDITIONS OF MASTER LEASE**

- 1. LEASE AGREEMENT.** Lessor hereby leases to Lessee, and Lessee hereby rents from Lessor, the machinery, equipment, and other personal property, all herein-after referred to as the "Equipment", described in the Schedules attached hereto, numbered consecutively, which may hereafter be executed by Lessor and Lessee and attached hereto or incorporated herein by reference, according to the terms and conditions set forth in this Master Lease, as supplemented with respect to each item of Equipment by the terms and conditions set forth in the appropriate Schedule identifying such item of Equipment. Except as specifically modified by the terms and conditions set forth in the appropriate Schedule identifying any item of Equipment, all of the terms and conditions of this Master Lease shall govern the rights and obligations of Lessor and Lessee. Whenever reference is made herein to "Master Lease" it shall be deemed to include the various Schedules identifying all items of Equipment or the appropriate Schedule or Schedules identifying one or more particular items of Equipment.
- 2. RENTAL PAYMENTS.** Lessee agrees to pay rental for the use of each item of Equipment. The first rental payment shall be due on the effective date of the appropriate Schedule and a like payment due on the same day of each month thereafter or as specified in the appropriate Schedule. Any supplemental rent shall be payable according to the terms and conditions of any Schedule or Schedules. If no effective date of the Schedule is inserted at the time of execution thereof by Lessee, Lessee hereby authorizes Lessor to complete the Schedule by inserting the date of delivery of the Equipment to Lessee as the effective date of the Schedule. All rent and other sums payable by Lessee to Lessor under the terms of this Master Lease and Schedule shall be paid to Lessor at its office or as the Lessor may hereafter direct. Lessee agrees that Lessor may collect a late rental charge on each rental payment which is in arrears not less than ten (10) days, said charge to be in an amount equal to ten percent (10%) of said rental payment or the maximum permissible under applicable law, whichever is the lesser amount.
- 3. TITLE TO EQUIPMENT.** The leased Equipment is and will at all times remain the property of Lessor. Each item of Equipment shall at all times be and remain personal property, regardless of whether it is affixed to realty, and Lessee agrees to provide Lessor with the appropriate mortgagee's and landlord's waivers upon request of Lessor. Lessee shall display notice of Lessor's ownership of the Equipment by affixing to each item of Equipment an identifying stencil or plate or any other indicia of ownership, as furnished by Lessor.
- 4. REMOVAL, INSPECTION, AND RETURN OF EQUIPMENT.** The Equipment shall not be removed from the premises of the Lessee to which originally delivered without the prior written consent of Lessor. Lessor shall have the right, upon reasonable prior notice to Lessee and during Lessee's regular business hours, to inspect the Equipment at the premises of Lessee or wherever the Equipment may be located. Upon the termination of the Lease with respect to any item of Equipment, such item of Equipment shall be returned at Lessee's expense to Lessor at such place as may be designated by Lessor for such disposition.
- 5. MAINTENANCE.** Lessee, at its own expense, will install and maintain each item of Equipment, and all additions, replacements, attachments, and accessories in good mechanical condition and running order at all times during this Lease, but shall not be responsible for normal wear and tear. All additions, replacements, attachments, accessories, and repairs at any time made to or placed upon the Equipment shall become part of the Equipment and shall be the property of Lessor. However, Lessee shall not make any additions to the Equipment without prior written approval and consent of Lessor. Lessor shall have no responsibility in connection with maintenance, repair or replacement of the Equipment or parts thereof, the sole obligation therefore being Lessee's. Lessee has selected the Equipment and requested Lessor to lease the Equipment to Lessee. Lessor makes NO WARRANTIES, EXPRESS OR IMPLIED, including WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE in connection with the lease of this Equipment. Lessor, however, shall deliver to the Lessee a copy of any warranty agreement it may receive from the manufacturer of any item of Equipment, and Lessee shall look solely to the manufacturer for the enforcement of such warranty, and Lessee shall comply with all the conditions of such warranty imposed by the manufacturer.
- 6. RISK OF LOSS AND INSURANCE.** Lessee shall bear all risks of damage, loss, theft or destruction, partial or complete, with respect to each item of Equipment. Lessee shall at its own expense keep each item of Equipment insured, (for an amount at least equal to, but not less than, the Stipulated Loss Value of the Equipment as of the preceding Rental Payment Date as set forth in Exhibit "1" of the appropriate Lease Schedule or Schedules) against all risk with extended coverage, with insurance companies satisfactory to Lessor, with losses, if any, payable to Lessor. Lessee agrees at its expense to obtain and maintain with insurance companies of recognized standings and general public liability insurance for the protection of Lessor and Lessee, as their interests may appear, in amounts specified by Lessor, against claims for bodily injury or death or property damage rising out of the use, ownership, possession, operation or condition of the Equipment. Each insurer shall agree, by endorsement upon the policy or policies issued by it, or independent instruments furnished to Lessor, that it will give Lessor thirty (30) days written notice before the policy or policies in question shall be altered or cancelled, and that no act of default of any person other than the Lessor, or its agents, or those claiming under Lessor, shall affect Lessor's right to recover under such policy or policies in case of loss. Lessee shall deliver to Lessor the policies or evidence of insurance satisfactory to Lessor, on each anniversary date of the Lease for each item of Equipment. The failure of Lessee to secure or maintain such insurance shall constitute a default under this Master Lease. In the event of such breach, Lessor may, but shall not be obligated to, obtain such insurance. In the event that Lessor obtains such insurance, an amount equal to the cost of such insurance shall be deemed supplemental rental to be paid forthwith by Lessee.

Notwithstanding damage to an item of Equipment, the monthly rental for such item of Equipment shall continue to be paid by Lessee. Lessee shall have the responsibility for the repair of any damaged Equipment, and Lessee agrees to repair or cause such Equipment to be repaired promptly after damage. As reimbursement to Lessee for any sum expended by Lessee in connection with the repair of such Equipment, Lessor shall assign to Lessee any and all right Lessor may have under insurance policies carried by Lessee with respect to such damage. In the event any Equipment is destroyed or damaged as to make the repair thereof impractical or uneconomical Lessee shall, within ninety (90) days of the date of the occurrence of the damages, pay Lessor the Stipulated Loss Value of the Equipment determined as of the next preceding Rental Payment Date and as set forth in Exhibit "1" of the appropriate Lease Schedule or Schedules, together with interest on such Stipulated Loss Value at the rate of twelve (12%) per annum or maximum permissible under applicable law, whichever is less, from the Rental Payment Date to the date of the aforementioned payment of the Stipulated Loss Value.

Undersigned agrees to all terms and conditions set forth herein and on reverse side hereof and acknowledges receipt of a copy of this Master Lease. This Master Lease is not binding upon Lessor until written acceptance by Lessor.

Date Executed by Lessee 2-8, 19 80 LESSEE Hunting Elevator CompanyWITNESS X Joseph W. StauberBY X J. H. H. H. H. H.

Secy - Treas.
Title

BY

Title

ACCEPTED AT REGIONAL OFFICE ON 2/12 19 80**ITT Industrial Credit Company, Lessor**By John P. Kelly VP

7. **TAXES, ASSESSMENTS AND LICENSES.** Lessee shall file all necessary returns and pay when due all sales taxes, use taxes, excise taxes, personal property taxes, franchise taxes, gross receipt taxes, assessments, ad valorem taxes, stamp and documentary taxes, and all other government charges, fees, fines or penalties whatsoever, whether payable by Lessor, Lessee or others, on or relating to the Equipment or the use, registration, rental, shipment, transportation, delivery or operation thereof, other than federal, state or local taxes measured solely by the net income of the Lessor on or relating to this Master Lease and any Schedules executed in connection with this Master Lease. Upon demand, Lessee shall reimburse Lessor for any such taxes, assessments, charges, fines or penalties which Lessor may be compelled to pay in connection with the Equipment.
8. **LESSOR'S INDEMNITY.** Lessee shall indemnify, protect, and save and keep harmless Lessor, its agents, servants, successors, and assigns from and against all losses, damages, injuries, claims, demands, and expenses, including legal expenses, of whatever nature, arising out of the use, condition (including, but not limited to, latent and other defects, whether or not discoverable by Lessor), or operation of any item of Equipment, regardless of where, how, and by whom operated. Lessee shall assume the settlement of, and the defense of any suit or suits or other legal proceedings brought to enforce all such losses, damages, injuries, claims, demands, and expenses, and shall pay all judgments entered in any such suit or suits or other legal proceedings. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the termination of this Master Lease, whether by expiration of time, by operation of law, or otherwise. Lessee is an independent contractor and nothing contained in this Master Lease shall authorize Lessee or any other person to operate any item of Equipment so as to incur or impose any liability or obligation for or on behalf of Lessor.
9. **LIABILITY OF LESSOR LIMITED.** Lessor shall not be liable for any loss or damage which is incurred as a result of delay, strike, storms, war emergencies, labor troubles, belated or nonreceipt of Equipment, fires, floods, water, acts of God, or circumstances beyond Lessor's control. Lessor shall not be held liable for any damages by reason of failure of Equipment to operate or faulty operation of Equipment or system. Lessor shall not be held responsible for any direct or consequential damages or losses resulting from the installation, operation or use of the Equipment, products or materials furnished by Lessor.
10. **ASSIGNMENT BY LESSEE AND ENCUMBRANCES.** Lessee shall not assign this Master Lease or any item of Equipment covered hereunder or any interest therein without prior written consent of Lessor. Lessee shall not, during the term of this Master Lease, sublease, mortgage or otherwise encumber, remove or suffer to be removed from the stipulated premises, or part with possession of, any item of leased Equipment or any part thereof, or permit to attach or exist any landlords' mortgages, mechanics', judgment creditors', or other lien on any item of Equipment. If any such lien shall so attach or exist, Lessor may (but shall not be required to) pay or discharge the same, and Lessee shall immediately reimburse Lessor therefore as supplemental rent under this Master Lease.
11. **ASSIGNMENT BY LESSOR.** Lessor may at any time assign to any bank, or other financial institution, or any person, firm, or corporation all or part of its right, title and interest in and to each item of Equipment and monies to become due to the Lessor hereunder. In such event, all the provisions of this Master Lease for the benefit of Lessor shall inure to the benefit of and be exercised by or on behalf of such assignee, and all rental payments due and to become due under this Master Lease and Schedules and assigned by Lessor shall be paid directly to assignee, upon notice of such assignment to Lessee. The right of the assignee to the payment of assigned rentals hereunder shall not be subject to any defense, counterclaim or setoff which the Lessee may have or assert against the Lessor, to the extent permitted by law.
12. **LESSEE'S DEFAULT.** The following events shall constitute defaults hereunder on the part of the Lessee: The failure of the Lessee to pay any rental payment, including supplemental rent, within fifteen (15) days after the date on which the same shall become due; any breach or failure of Lessee to observe or perform any of its other obligations hereunder and the continuance of such default for fifteen (15) days after notice in writing to Lessee of the existence of such default; the insolvency or bankruptcy of Lessee or the making by the Lessee of an assignment for the benefit of creditors, or the appointment of a trustee or receiver for the Lessee or for a substantial part of its property; the institution by or against Lessee of bankruptcy, reorganization, arrangement or insolvency proceedings. Upon any default or if Lessor deems this Master Lease or any item of equipment hereunder to be insecure, Lessor may, at its option, do any or all of the following:
- (i) proceed in the appropriate court action or actions, either in law or in equity, to enforce performance by Lessee of the applicable covenant of this Lease or to recover damages for the breach hereof; or
 - (ii) terminate this Master Lease as to any or all of the Equipment subject hereto, whereupon all rights of the Lessee to the use of the Equipment or any item thereof shall absolutely cease and terminate. Lessor may by its agents enter upon the premises where the Equipment may be located and take immediate possession of any or all of the Equipment and thereafter hold and possess the same free from any rights of the Lessee or its assigns. Said entry upon the premises and taking of the Equipment may be with or without notice or process of law, (WHICH NOTICE AND PROCESS OF LAW AND OPPORTUNITY FOR HEARING LESSEE EXPRESSLY WAIVES) and without liability for suit, action or proceedings by Lessee. Lessor may sell, dispose of, use or lease the Equipment as Lessor in its sole discretion may desire. Lessor, shall, nevertheless, have the right to retain all rentals paid by Lessee hereunder and any other sums paid to or received by Lessor in respect to the Equipment and to recover from Lessee all amounts which may have accrued to the date of such termination and also to recover forthwith from Lessee as liquidated damages for loss of bargain and not as a penalty, at the option of the Lessor, either (X) an amount which is equal to the excess of the Stipulated Loss Value of the Equipment over the then Fair Market Value thereof, as determined in accordance with Section Fourteen (14) or (Y) the excess of the sum of the present values of the remaining Rentals hereunder as of the date of the termination, over the then Fair Market Value of the Equipment. The present values of the remaining Rentals shall be computed on the basis of six percent (6%) per annum discount compounded from the respective dates upon which Rents would have been payable hereunder, if the Lease had not been terminated. Lessee shall remain fully liable for reasonable damages as provided herein and as provided by law, and for all cost and expenses incurred by Lessor on account of such default including court costs, reasonable attorney's fees and interest thereon at the rate of twelve percent (12%) per annum or the maximum provided by law whichever is less.
- The remedies herein provided in favor of the Lessor in the event of default set forth above shall not be deemed to be exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law, in equity or in bankruptcy. The election at any time to enforce any such remedies shall in no way bar the later enforcement from time to time of any other remedy.
13. **SECURITY DEPOSIT.** The amount specified as Security Deposit on each Schedule shall be held by Lessor as security for the performance by Lessee of all of its obligations hereunder and Lessor may, but shall not be obligated to, apply amounts in the Security Deposit to cure any default of Lessee hereunder, in which event Lessee agrees to promptly restore the Security Deposit to the full amount specified in the Schedule. Upon termination of this Master Lease with respect to any Schedule, if Lessee has fulfilled all of the terms and conditions hereunder, Lessor shall return to Lessee any remaining balance of the Security Deposit made by Lessee.
14. **OPTION TO RENEW AND PURCHASE.** Provided no Default or Event of Default referred to in Section 12 herein shall have occurred and be continuing, the Lessee shall have the option on the date of the expiration of the Lease or any renewal term thereof with respect to each item of Equipment, and, upon one hundred twenty (120) days advance written notice to Lessor, to:
- a. Purchase such item of Equipment by paying the then existing Fair Market Value for such equipment, ~~or~~ if Lessor elects to sell such item of equipment, or
 - b. Renew the Lease for a term of at least twelve (12) months, by paying the then existing Fair Market Rental Value.

For purposes of this Paragraph fourteen (14), Fair Market Value and Fair Market Rental Value shall be determined on the basis of, and shall be equal in amount to, the value which would be obtained in an arm's length transaction between an informed and willing Buyer — User or Lessee (other than a Lessee currently in possession or a used equipment or scrap dealer) and an informed and willing Seller or Lessor under no compulsion to sell or lease. Any such determination shall be made on an "as is", "where is" basis.

If Lessor and Lessee cannot, within twenty (20) days of the aforementioned notice, agree in writing as to the Fair Market Value or Fair Market Rental Value for purposes of this Section fourteen (14), then Lessor and Lessee agree that such values be determined by the "Appraisal Procedure" as hereinafter defined.

"Appraisal Procedure" shall mean the following procedure for determining the Fair Market Value or the Fair Market Rental Value, as the case may be, of the Equipment: the Lessor and Lessee shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement, however, if no such appraiser is so appointed within thirty-five (35) days after notice of the exercise of the option, each party shall appoint an independent appraiser within twenty (20) days and the two appraisers so appointed shall within fifteen (15) days after their appointment, appoint a third independent appraiser. The appraisers appointed pursuant to the foregoing procedure shall determine the Fair Market Value and/or their Fair Market Rental Value of the Equipment or any item thereof within forty-five (45) days after appointment of the last appraiser. If the parties shall have appointed a single appraiser, his determination of values shall be final. If three appraisers shall be appointed, the value determined by the three appraisers shall be averaged, the determination which differs most from such average shall be discarded, the remaining two determinations shall be averaged and such average shall be final, if Lessor desires to sell the equipment.

15. **FINANCIAL INFORMATION.** Lessee agrees to provide Lessor with: (i) an audit report prepared by independent certified public accountants, or other accountants acceptable to Lessor within ninety (90) days after the close of each fiscal year of Lessee occurring after the date of this Lease; (ii) balance sheets as of the end of each quarterly period of Lessee's fiscal year and profit and loss and surplus statements certified as accurate by an Officer of the Lessee within forty-five (45) days after the close of each such quarterly period; and (iii) from time to time such other information as would have a material effect upon the financial condition of the Lessee, as Lessor may reasonably request.

16. **GENERAL PROVISIONS.** This Master Lease, together with the Schedules duly executed by the parties hereto, constitute the entire agreement of the parties and neither party shall be bound except in accordance herewith. Failure of Lessor to enforce any of its rights shall not constitute a waiver of such rights or of any other rights. All paragraph headings and titles are for convenience only and shall in no way be held to explain, modify, amplify or aid in the interpretation of the provisions hereof. Subject to the terms and conditions of this Master Lease, Lessee shall quietly have and enjoy the use of the equipment described in various Schedules during the terms of this Master Lease without disturbance from Lessor or from any one claiming by, through or under Lessor. This Master Lease shall not be binding on Lessor until the same, executed by Lessee, shall be received and executed by Lessor, whereupon it shall become binding on and inure to the benefit of Lessor and Lessee and their respective heirs, personal representatives, administrators and assigns. No amendment or modification of this Master Lease shall be effective unless in writing and executed as herein provided for.